

A decorative graphic on the left side of the slide consisting of several overlapping, white-outlined shapes that resemble the silhouettes of houses or buildings. These shapes are arranged in a vertical column, with some overlapping others, creating a sense of depth and a community feel.

Why choose a retirement village?

Grey Power meetings

John Collyns, Executive Director,
Retirement Villages Association

Who are we?

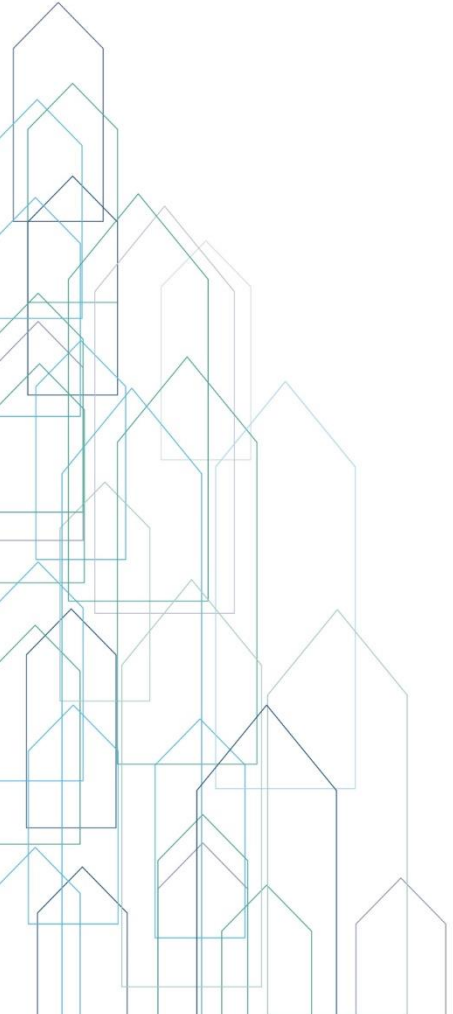
We represent the interests of retirement village developers, owners and managers throughout New Zealand.

- 412 member villages
- 38,400 dwellings
 - 60% corporate, 29% independent, 11% not-for-profit
- 50,000 residents
- Approximately 96% of the industry are members.

What is a retirement village?

Retirement Villages Act 2003 :

- Two or more residential units;
- Capital payment, regardless of tenure;
- Services are provided (more than a gated community);
- People “predominately” in their retirement.



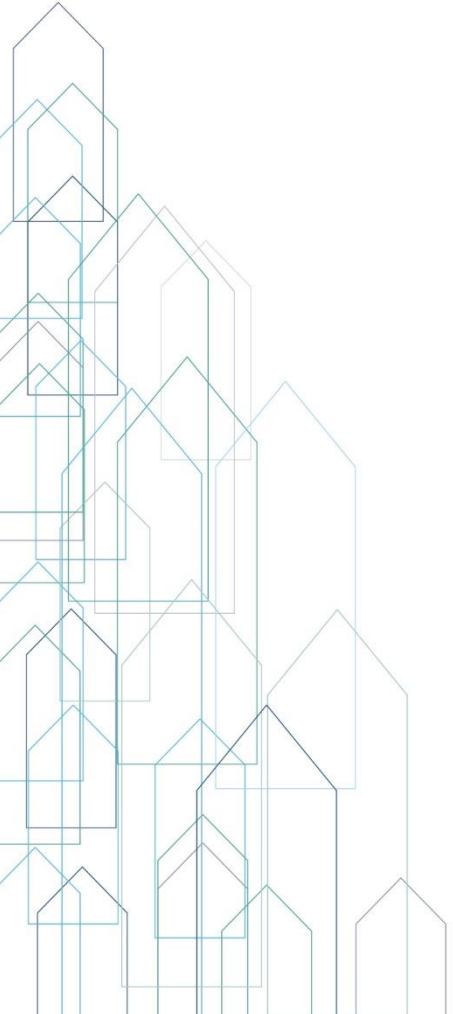
But ...

A retirement village is really about independent living in a community of like-minded people.

Lifestyle villages with some limited care services through to a facility with a full continuum of care.

Made up of independent dwellings (villas, apartments, serviced apartments), community facilities, gardens, etc.

Whatever you can do today in your own home you can do in a retirement village!





Edmund Hillary RV, Auckland. RVA photo



Whitby Lakes RV, Porirua



Acacia Cove RV, Manurewa



Edmund Hillary RV, Auckland



Ranfurly apartments, Auckland : Generus Group Ltd



World-leading consumer protection

Retirement Villages Act :

- Registration – memorial on title
 - Residents have total protection before all other creditors, including the bank.
- Statutory Supervisor – financial oversight and reporting
- Mandatory legal advice
- Code of Residents' Rights
- Retirement Villages' Code of Practice
- Disputes process via Retirement Commissioner

Focus is on consumer protection!

Key documents you should receive

Village Disclosure Statement – information about ownership, resident rights, village status, financial obligations

Occupation Right Agreement (ORA) – the contract giving you the right to occupy a unit, use services, sets out terms and conditions, money back when you leave.

Code of Residents' Rights

Code of Practice.

RVA's Key Terms Summary

Allows intending residents to compare different village offerings easily.

SUMMARY OF KEY TERMS


Village: _____

Accommodation Type: _____

Correct as at ___/___/___

KEY TERMS	DETAILS FOR RESIDENT/UNIT
Fees payable by resident	
Maximum Deferred Management Fee (DMF) (or equivalent fees) payable by resident for unit	Maximum total as a percentage of capital sum: _____ % Method of calculation: On entry _____ % Per annum: Year 1 _____ % Year 2 _____ % Year 3 _____ % Year 4 _____ % Year 5 _____ %
Weekly fees payable by resident	\$ _____ per week <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Annually <input type="checkbox"/> Any time <input type="checkbox"/> Other
<ul style="list-style-type: none"> • How much? • Can these be increased by the operator? • If yes, how often? 	
Are there any other regular fees payable by the resident to the operator and can these be increased? [For example, service fees.]	
Does the resident contribute to long term maintenance through a contribution to a specific village sinking or maintenance account?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Fees payable on termination (excluding DMF) [For example, admin, marketing fees.]	
Capital gains/losses	
Does the resident share in any capital gain on the sale of the unit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
• If yes, what share? [Specify]	
Is the resident exposed to any capital loss on the sale of the unit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
• If yes, what is the exposure? [Specify]	
Leaving the unit	
Once the resident has left their unit when do they stop paying weekly fees?	<input type="checkbox"/> On leaving the unit <input type="checkbox"/> Other – specify

2008 legislated CoP's requirements

- 
- Documents operators must provide intending residents;
 - Policies and procedures, induction process for staff and new residents, when an operator can access a resident's home;
 - Staffing policies and procedures;
 - Written safety, security policies, fire and emergency procedures;
 - Process to transfer residents in the village;
 - Frequency and conduct of meetings, rights to consultation;

CoP continued ...

The complaints process is described;

How residents' accounts should be handled;

How to deal with maintenance and repairs in the common property and individual homes;

What happens if a unit is destroyed;

Insurance requirements (full replacement to satisfaction of statutory supervisor);

Termination of an agreement, including the marketing and sale;

Communication with residents.

Cancelling the deal

Bought a unit and changed your mind?

- Notify within 15 working days after signing ORA
- No reason required
- Get your money back

Buying a unit “off the plans”

- If it's not completed within six months after the agreed completion date, you can cancel any time after that and get your money back

Substantial breaches

- Full refund plus costs

Villages are different - tenure

Licence to Occupy – operator retains title to property and resident buys the right to live in the village for as long as they want to or are able to. Receives a % of purchase price (occasionally selling price) on departure.

Unit title – Operator or body corporate retains title to land, but resident owns the bricks and mortar. Pays a sum to body corporate on departure, retains capital gain.

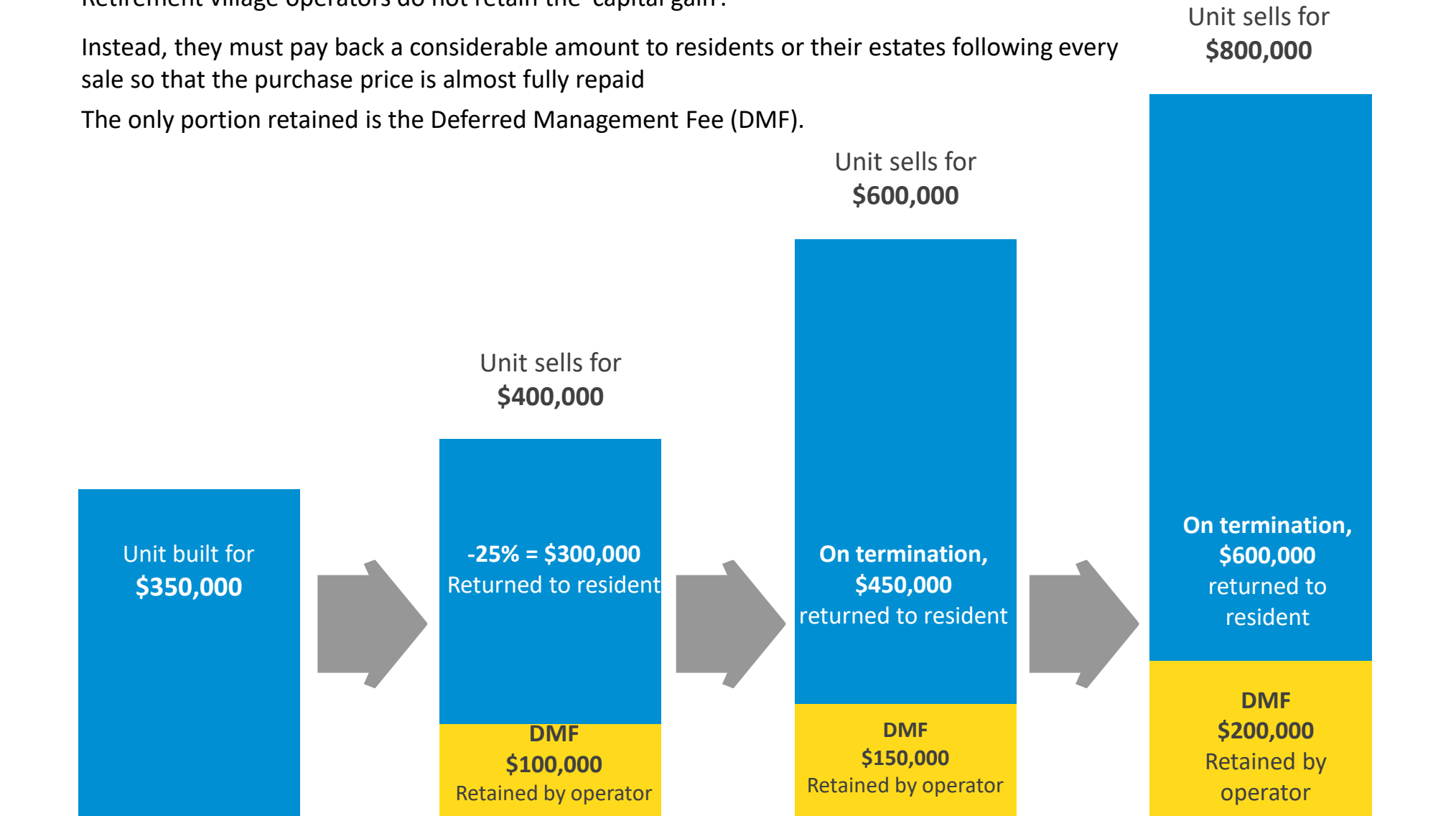
Lease and rentals – will vary according to the village but covered by RV Act if registered.

New Zealand's retirement village model

Retirement village operators do not retain the 'capital gain'.

Instead, they must pay back a considerable amount to residents or their estates following every sale so that the purchase price is almost fully repaid

The only portion retained is the Deferred Management Fee (DMF).



Villages are different – weekly fees

National average is \$141.17 It covers

- Upkeep of village facilities and common area;
- Maintenance of grounds;
- Staff salaries and wages;
- Statutory charges, rates, water;
- Security and insurance;
- General services such as the village van, etc.

Villages are different – care

- All residents, if assessed, can receive Ageing in Place from the DHB (unless they are already in a serviced apartment)
- Serviced apartments can provide subsidised rest home level care if licensed to do so
- Some villages provide separate rest homes, hospitals, dementia facilities.

Ask if this is important!







Wanaka's Aspiring Village's
"Llympic Games"

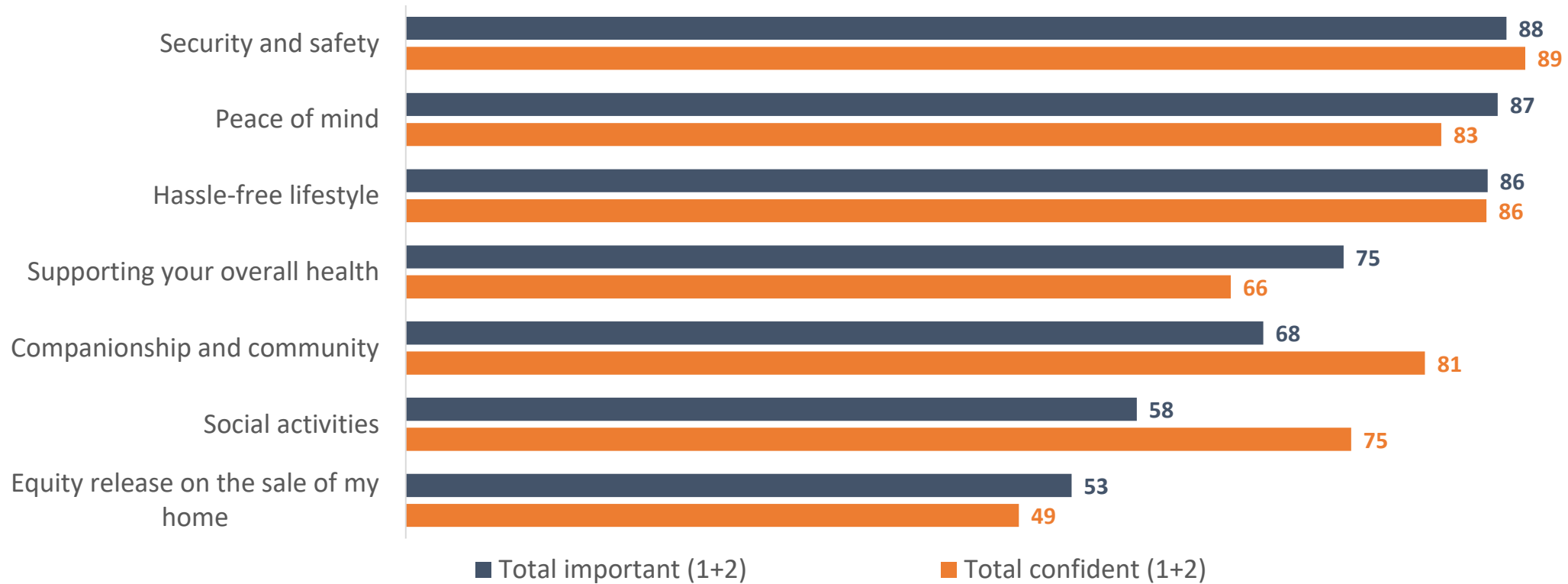


Importance versus confidence



Importance: Thinking about when you were deciding to move into a retirement village. How important were each of the following when making your decision?

Confidence: Now that you are living in this retirement village, how confident are you that the village is currently providing (or will be able to provide) each of the following:

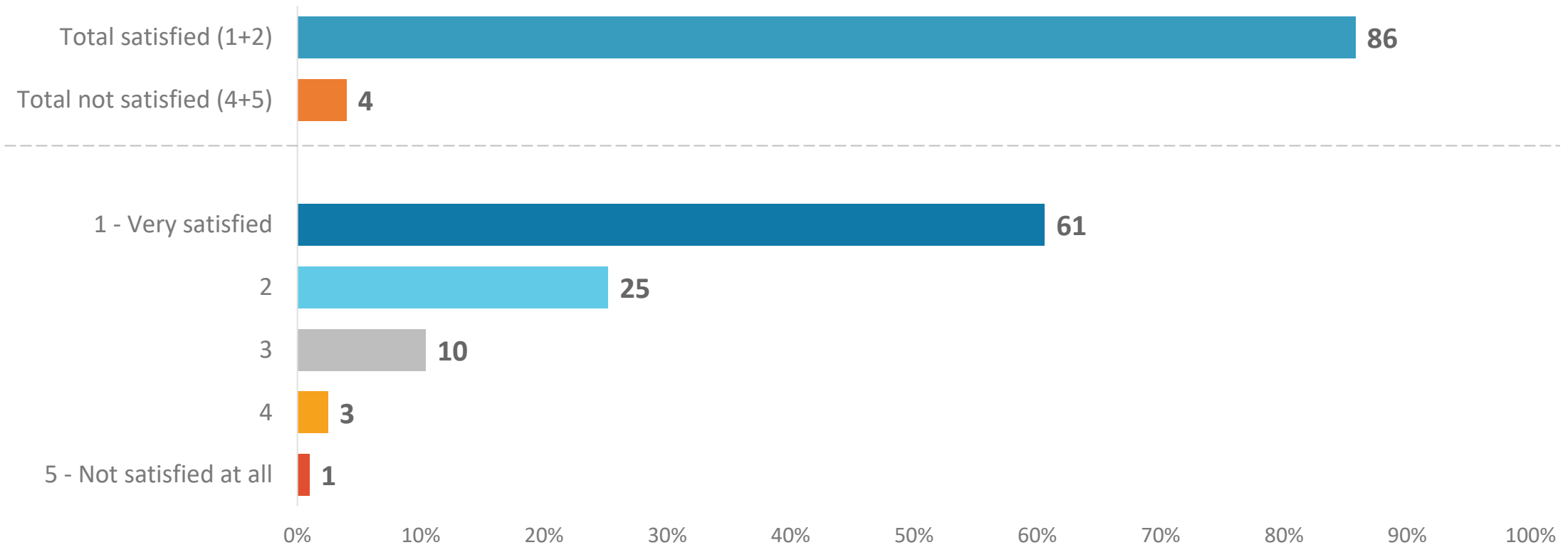


Base: All respondents (n=1,000)

Most residents are satisfied with living in their retirement village



Overall, how satisfied are you with your experience of living at this retirement village?

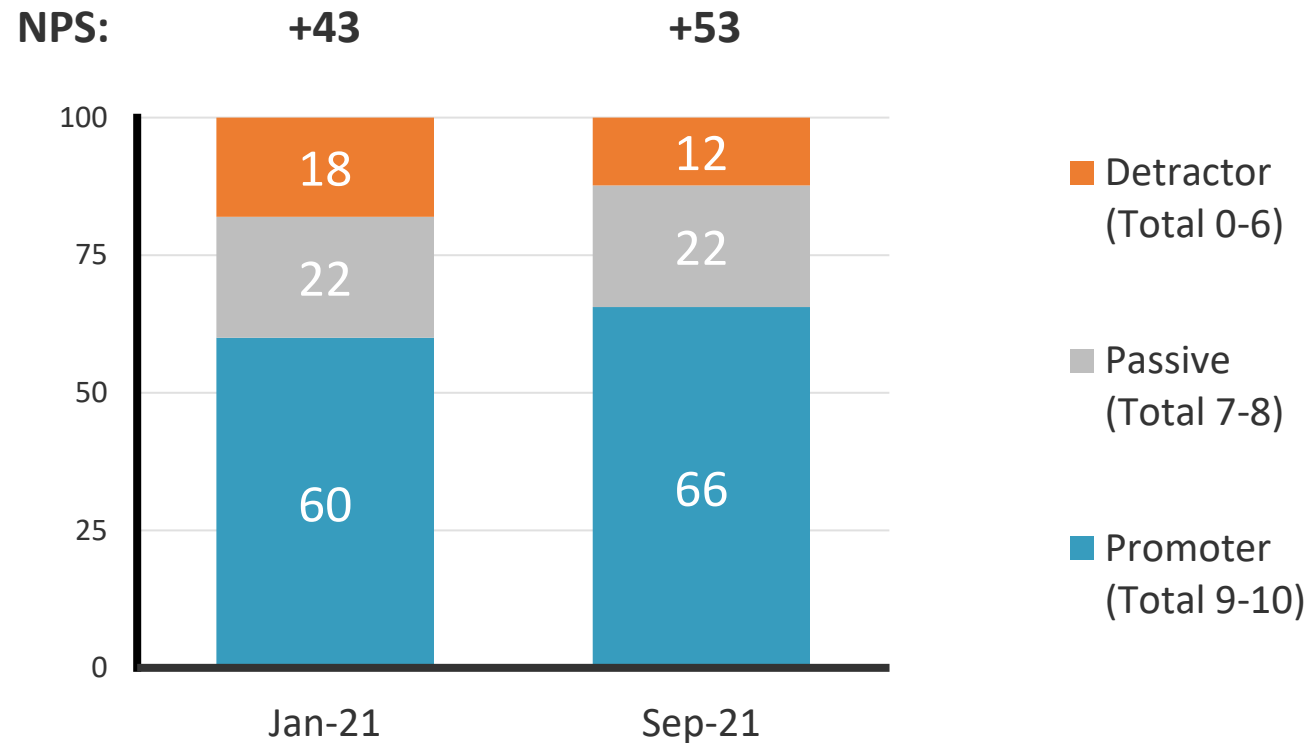


Base: All respondents (n=1,000)

Residents declare a 10-point increase in the net favourability score for their villages



How likely is it that you would recommend this retirement village to a friend or family member? (%)
(Please note the scale for this question is: 0 – Not likely at all and 10 – Very likely)



Note: NPS = Promoters – Detractors; Base: All respondents (n=1,692)

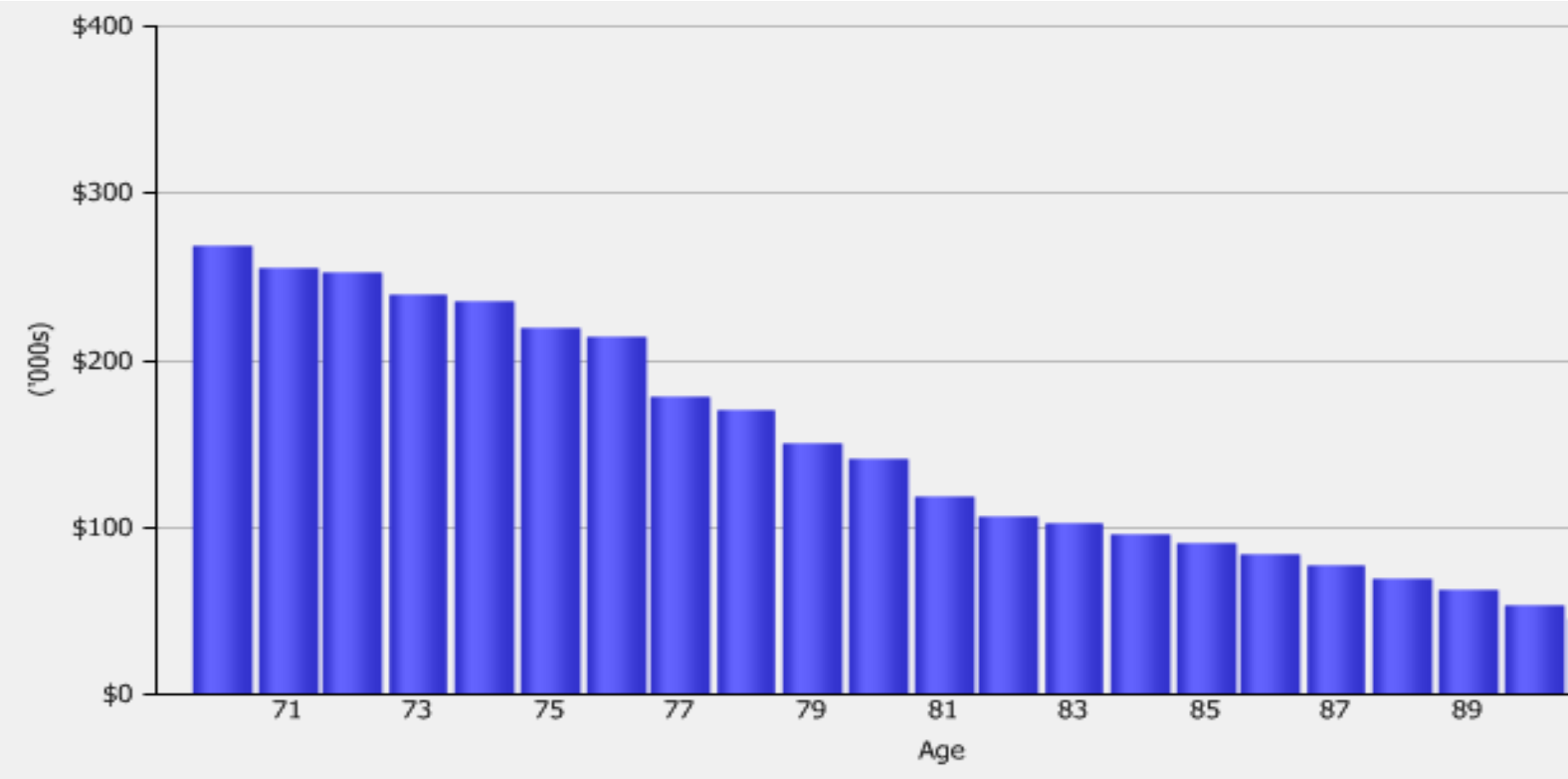
A case study – Norah, aged 70

Investments	Investment value	Return	
Portfolio	\$300,000	4%	(including inflation)
Drawings	Value	From	Until
Drawings	\$7,000	2016	Annually
Home painting	\$15,000	2016	Once only
Car replacement	\$15,000	2016	And again in 7 years' time
Europe	\$15,000	2017	Every 2 years till age 81
Pacific	\$5,000	2016	Every 2 years till age 82

Projections – staying in own home

Age	Drawings	Home painting	Car replacement	Europe	Pacific	Total drawings	Total additions	Growth	Total portfolio
Open									300,000
70	7,000	15,000	15,000		5,000	42,000		10,320	268,320
71	7,140			15,300		22,440		9,835	255,715
72	7,283				5,202	12,485		9,730	252,960
73	7,428			15,918		23,347		9,184	238,797
74	7,577				5,412	12,989		9,032	234,840
75	7,729			16,561		24,290		8,422	218,972
76	7,883				5,631	13,514		8,219	213,677
77	8,041		17,230	17,230		42,501		6,848	178,024
78	8,202				5,858	14,060		6,558	170,522
79	8,366			17,926		26,292		5,770	150,000
80	8,533				6,095	14,628		5,415	140,787
81	8,704			18,651		27,354		4,536	117,969
82	8,878				6,341	15,219		4,110	106,860
83	9,055					9,055		3,912	101,717
84	9,236					9,236		3,699	96,180
85	9,421					9,421		3,470	90,229
86	9,609					9,609		3,224	83,844
87	9,802					9,802		2,962	77,004
88	9,998					9,998		2,680	69,686
89	10,198					10,198		2,379	61,867
90	10,402					10,402		2,059	53,524

Staying in own home



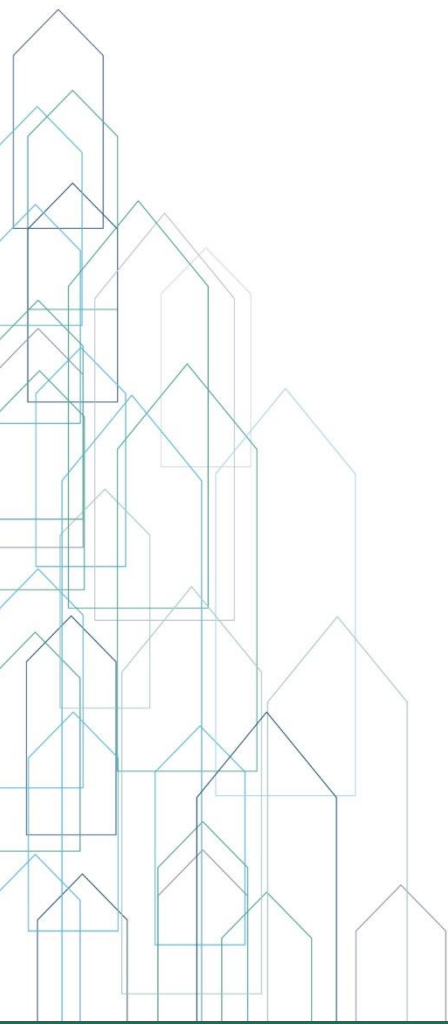
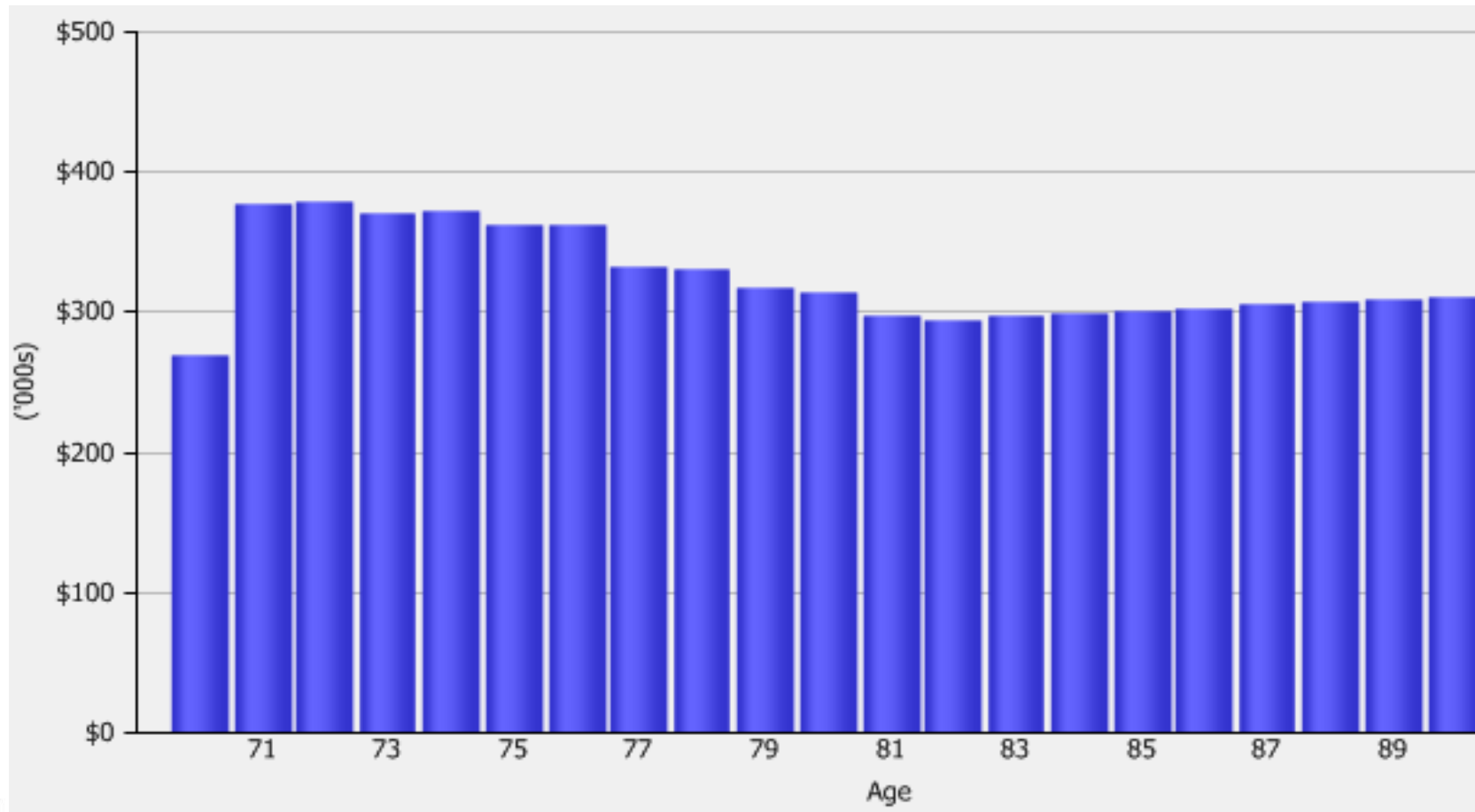
Assumptions – move to a village

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Pacific	\$5,000	2016	Every 2 years till age 82
Additions			
House sale equity (net of RV unit purchase, agents' fees, etc)	\$117,000	2017	

Projections – move to a village

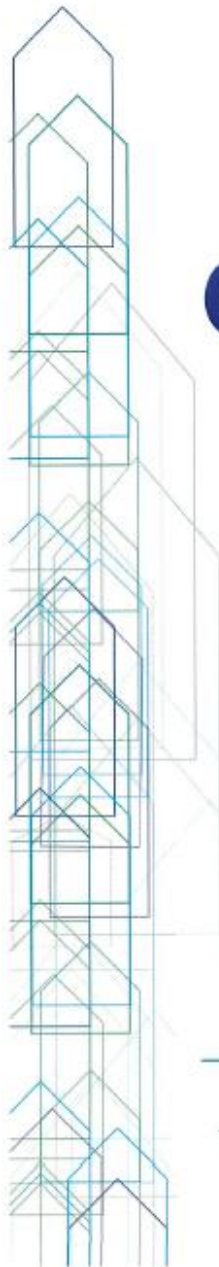
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Open									300,000
70	7,000	15,000	15,000		5,000	42,000		10,320	268,320
71	7,140			15,300		22,440	117,000	14,515	377,395
72	7,283				5,202	12,485		14,597	379,507
73	7,428			15,918		23,347		14,246	370,406
74	7,577				5,412	12,989		14,296	371,713
75	7,729			16,561		24,290		13,897	361,320
76	7,883				5,631	13,514		13,913	361,719
77	8,041		17,230	17,230		42,501		12,770	331,988
78	8,202				5,858	14,060		12,717	330,645
79	8,366			17,926		26,292		12,175	316,528
80	8,533				6,095	14,628		12,076	313,976
81	8,704			18,651		27,354		11,464	298,086
82	8,878				6,341	15,219		11,314	294,181
83	9,055					9,055		11,405	296,531
84	9,236					9,236		11,491	298,786
85	9,421					9,421		11,574	300,939
86	9,609					9,609		11,653	302,983
87	9,802					9,802		11,727	304,908
88	9,998					9,998		11,796	306,706
89	10,198					10,198		11,860	308,368
90	10,402					10,402		11,919	309,885

Projections – move to a village



Why choose a RVA member village?

- 390 villages to choose from throughout NZ
- Three-yearly audits against Code of Practice
- Bulk-buying privileges – power, insurance, etc
- Seminars, training, conference
- Employment management service
- Disciplinary Tribunal to maintain standards



Certificate of Accreditation

The Country Club Retirement Village

is an Accredited Village of the
Retirement Villages Association of New Zealand Inc.

This village has passed an independent audit of its operational policies
and processes measured against the requirements of
the Retirement Villages Code of Practice and complies with the Retirement Villages Act 2003.



July 5, 2021

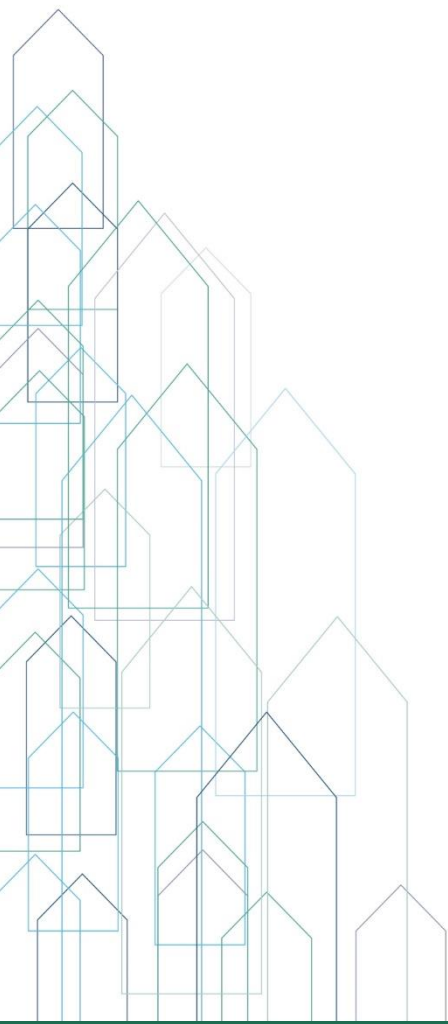
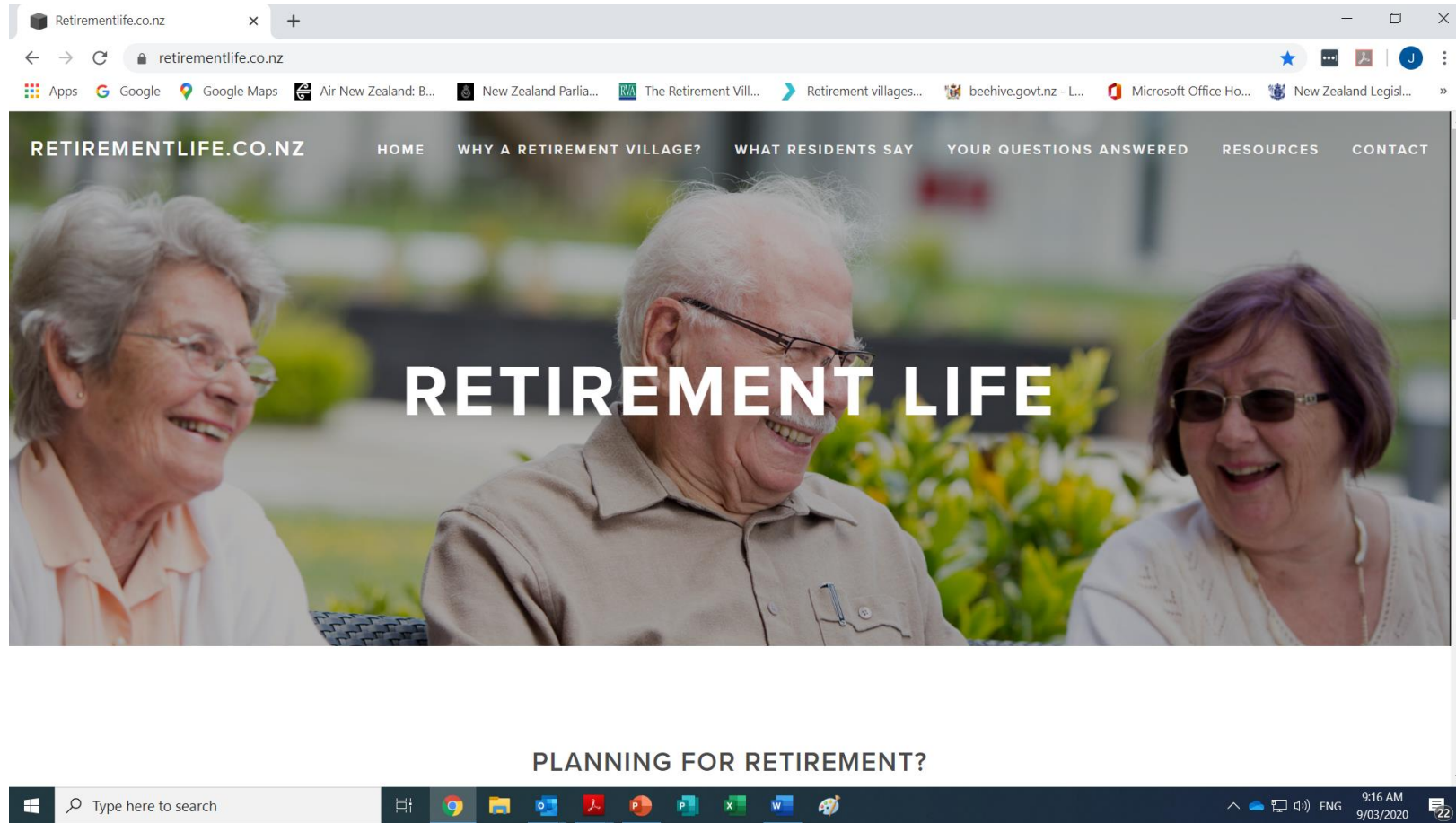
Date of Accreditation

This certificate is current for
THREE YEARS
from the above date

Executive Director

President

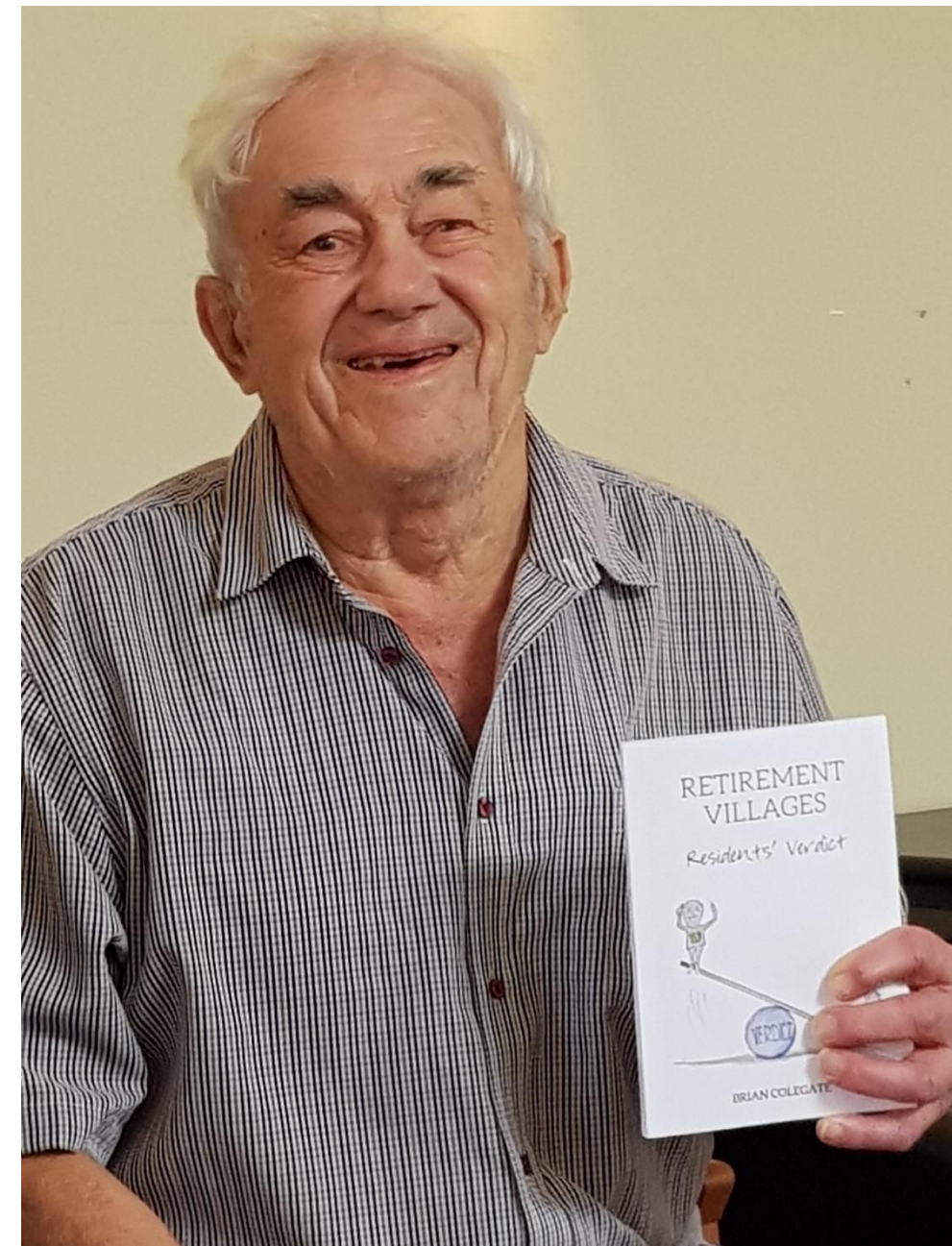
www.retirementlife.co.nz

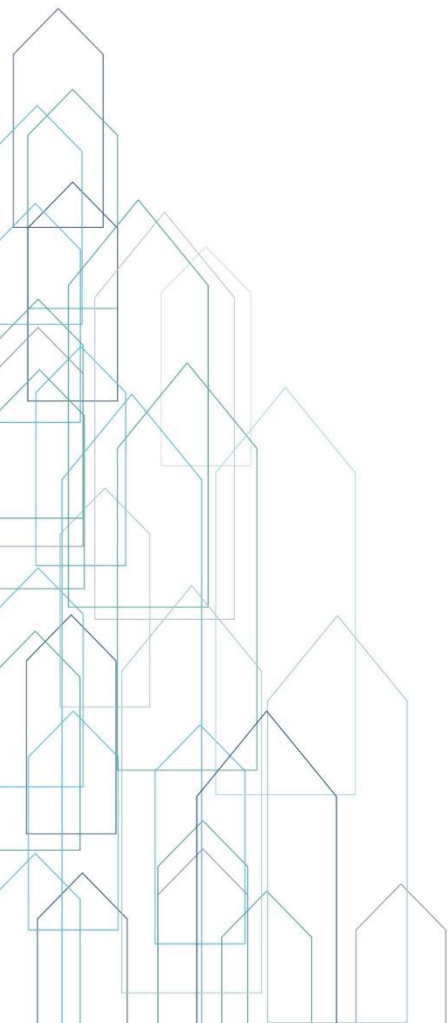


Retirement Villages – Residents' Verdict

Author is Brian Colegate, a resident at Coastal Villas RV, Paraparaumu. The book is intended for people who are thinking about moving to a village – easy to read, informative, unbiased!

\$20 + P&P from Brian –
rbcolegate@gmail.com





Retirement Villages Association

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